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THE CZECHOSLOVAK FINANCIAL PLAN AND ITS STATISTICAL CONTROL

Dr J. Hoffmann

The Czechoslovak financial plan, like the production and the requirements plans, is one of the parts of the operational plan. In a certain sense, the financial plan supplements and controls the other two plans mentioned above. All data included in the production and requirements plans for the various units are reflected in the financial plan on the basis of a common denominator, i.e., in monetary value,

The directives issued by the State Planning Office state that: "The purposes of the financial plan are to express the processes of the economy in terms of monetary values, to contribute to the reduction of production and distribution costs, and to provide the necessary financial means for fulfillment of state objectives. The state allots such finances in accordance with the economic plan in order to further socialist reconstruction, to promote continuo ous growth of the material and cultural well-being of the workers, to strengthen the people's democratic institutions, and to strengthen national defense. Under socialism, money meases to be a means of exploitation and becomes an effective aid to construction."

The financial plan has already been worked out for 1950, though not in its full form; as a result, the control surveys for this year merely follow reality without imposing any preconceived numerical plan. In 1951, the control of the financial plan will become control in the real sense of the term, and actual development will be compared with the figures of the plan as prepared for this

Statistical control of the financial plan for the production sector on the one hand, and control of the financial plans for the banking institutions, the State Insurance Corporation, and those covering the public administration on the other, must be carefully distinguished.

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There are to types of planning in the production sector, i.e., through the general lanagements and through the kraj national committees. Control activities will follow the same channels.

The following enterprises and organizations submit their control statements through the general managements: national enterprises, licensed import and export companies, the Pevolutionary Trade Union Movement, the Center for Management of Agricultural Products and its components, the Central Council of Cooperatives and its kraj organizations, the Wholesale Cooperative Outlets, of Cooperatives and its kraj organizations, the Wholesale Cooperative Outlets, the Tvar Cooperative, and all enterprises under national administrations which are under one of the above mentioned units

These enterprises submit statements to the general managements, or to the ministries if no special general managements have been established. The general managements shall prepare a summary of the statements submitted, which they, in turn, shall transmit to the State Statistical Office, whose task it to work out summaries for the various ministries and to prepare summaries for the various ministries shall be sent by the State Statistical Office to the various ministries and to the State Planning Office.

Monthly, quarterly, and yearly statements are to be handled as follows:

All centrally planned units shall submit, monthly, an inventory of supplies showing increase and decrease quarterly, a balance and accounting, a statement of fixed assets, a statement of the number of employees and wages paid; and yearly, a balance and accounting.

In addition, the national enterprises shall submit the following statements, quarterly: a report on accumulations in the enterprise, a report on sales and purchases, and a calculation of indexes.

The following units shall present their reports through the kraj national committees, communal enterprises, cooperatives which are not centrally planned, private enterprises, which must submit an accounting in accordance with the State Planning Office's announcement No 102/41950 in the Official Gazette, and all other enterprises, i.e., enterprises of mass organizations, societies, etc.

These units present their reports to the financial section of the okres national committee, and to the financing banks 'usually to the okres savings bank). The okres national committee then summarizes the reports for the okres and transmits them to the financial section of the kraj national committee. The kraj national committee after examining the reports, transmits them to the kraj kraj national committee after examining the reports, transmits them to the kraj branch office of the Gzechoslovak State Bank, which, in turn, compiles a regional branch office of the Gzechoslovak State Bank, which, in turn, compiles a regional branch office and transmits the summaries to the central administration of the Czechoslovak State Bank. This organization will prepare a report for each form of ownership and each kraj. One copy of this document will be sent by the central administration of the State Bank to the State Statistical Office.

Control here follows the principles of the people's administration and of the financial institutions. The control records are entered quarterly as well as yearly. All kraj-planned units also must present a balance and an accounting for each quarter and also annually.

The communal enterprises must present, in addition to the above, a quarterly report of the establishments: accumulations and a report of fixed assets.

Control of the financial plan for financial institutions is exercised by the State Statistical Office, as well as by the Czechoslovak State Bank and the Ministry of Finance. All financial institutions must present the following records: a monthly report on property and capital; a quarterly balance and accounting, and a quarterly report on the distribution of credits among the economic sectors according to types of ownership; and a yearly balance and accounting.

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In addition to the above-mentioned reports, the State Bank also presents the following records—a quarterly summarized report of financing of management and of investments by credit, a quarterly report on the fulfillment of the credit plan of the State Bank and a quarterly report on the fulfillment of the plan of payments to and from foreign countries.

The Ministry of Finance reprocesses the reports on the fulfillment of the financial plans of the Czechoslovak State Bank and of the investment Bank, and compiles a report on the fulfillment of the plan for the Fund of Nationalized Economy.

The control of the financial plan of the state insurance corporation is carried out by the Ministry of Finance For this purpose, the State Insurance Corporation presents to the ministry the following report, a quanterly report on the fulfillment of the accommunations plan a yearly balance and accountings a yearly report on incurance receives, and a yearly report on financial insurance corporations.

In 1951, ultimate control of the financial plan for the whole national economy is exercised by the State Planning Office, which, on the basis of all summarized data presented to it by the appropriate institutions, will work out a report on the fulfillment of the financial plan a report on the fulfillment of the financial plan for the national economy; and a report on the fulfillment of the Central Financial Flan of the national economy

These reports are thereafter presented by the State Planning Office to the appropriate cabinet members.

The directives covering control of the financial plan for the Public Administration have not yet been issued

These are, briefly, the main principles for control of the financial plan. However, this kind of control is only in its beginning stage and has its short-comings. One of these imperfections, which makes a proper evaluation of results difficult, is the variety of records dealing with control of the plan, sults will be taken into consideration in future directives for control of the 1951 plan, so that printing and distribution of printed forms will be carried out through a single agency.

...END ...

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